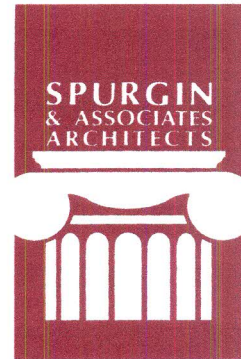


April 9, 2012

Ms. Ann Sadler, Building Projects Coordinator
Collin County
4600 Community Avenue
McKinney, Texas 75071

Re: Myer's Park Amphitheater & Restroom Facility
C.R. 166 @ C.R. 168
Collin County, Texas



Dear Ms. Sadler:

As you are aware, bids were received at 2:00 PM, Thursday, March 15, 2012 for the above referenced Project. A total of six bids were received ranging from a high of \$949,700 to a low of \$727,000 considering Base Bids, and a high of \$932,866 to a low of \$718,500 if the deductive Alternate Bid is considered. With or without the Alternate Bid, the apparent low bidder was Schmoldt Construction, Inc. in Celina, Texas, Cary Schmoldt, President. Nineteen contractors obtained bid documents to my knowledge and I believe as many as 15-17 of them may have been considering the project as general contractors so we believe there was good coverage on the project. There was only \$41,000 difference in the base bid of the three lowest bidders which is less than 6% of the lowest bid so we received very competitive, tight bids. Schmoldt Construction bid a construction time of 180 calendar days which was the second shortest construction time among the 6 bids received.

A completed AIA Document A305 Contractor's Qualification Statement for Schmoldt Construction, Inc. is attached for your information and consideration. The Qualification Statement contains Client and Credit References, Completed Projects List, and information on several similar completed projects.

Spurgin & Associates Architects is pleased to submit the following investigation of Schmoldt Construction, Inc., Celina, Texas, Cary Schmoldt, President; the apparent low bidder for the above referenced project.

Background

As you will see from the Contractor's Qualification Statement, Schmoldt Construction, Inc. has been incorporated as a general contractor for 10 years, operating under the current name for the past 7 years and as J&C Corporation for 3 years prior. Cary Schmoldt, President of the company, also acts as Secretary/Treasurer and the company's sole office is located at 5797 CR 126, Suite A in Celina, Texas 75009. Schmoldt Construction is licensed to do business in 10 states. According to the Qualification Statement, the company has never failed to complete a project, there are no claims or suits pending or outstanding against them, they have not filed any law suits or requested arbitration regarding a construction contract within the last 5 years, nor has any officer of the company been an officer of another organization which failed to complete a construction contract within the last 5 years.

According to their website, Schmoldt Construction has “earned a reputation for on-budget performance, with high levels of service and responsiveness to client needs” and they “specialize in retail, restaurant, industrial, medical, and hospitality industries”. Schmoldt Construction typically performs project supervision, rough carpentry, general labor and SWPPP work with their own forces.

Schmoldt Construction currently has \$2.15 million worth of construction in progress and under contract and over the past 5 years, they have averaged \$10 million worth of construction annually.

Architect References

Since Charles Brant is no longer with Brown Reynolds Watford Architects, Inc., I spoke with Doug Hankins who was part of the design team for the Frazier Townhomes Community Center for the Dallas Housing Authority. Doug explained that the overall project for DHA was a 76 acre multi-phased project which was in their office for about 6 years, and the centerpiece of the project was the community center facility which included some multi-use space, administrative space, conferencing area, catering kitchens, etc. and was awarded under through a competitive bid process to Schmoldt Construction. He said of Schmoldt that their paperwork and process was great, they kept the timing of the construction on schedule and even though they were challenged with some adverse weather conditions, that they were fairly competent and communicated well, and very responsive any time he asked them for something, and that he had no negative issues with Schmoldt in particular. Doug did say however that he had problems with their masonry and structural steel contractors which weren't directly Schmoldt's fault except that he believed they may have shopped the job to get the low bid or to make a buck and it ultimately may have come back on them. He further explained that the masonry part of the project was two colors of burnished block and was critical to the look of the completed project and that he met personally with the masonry contractor lead man and that it was obvious they were a low budget, very small company. It took the masonry contractor several attempts to get the masonry mock-up panels to an acceptable level, and then the work just wasn't there; that it took repeated efforts to get the masonry and mortar installation to an acceptable, quality level. Doug went on to say that there were similar problems with the structural steel contractor who repeatedly failed to meet the quality craftsmanship requirements of the project and as well as failed 3rd party steel inspections. BRW Architects therefore pushed Schmoldt to fire the steel contractor as non-performing and hire a second, more competent erector, which Schmoldt did, and the project was completed, but probably at a cost to Schmoldt Construction as stated earlier.

I was made aware by one of the other bidders on this County project, that one of their masonry contractors had made the statement that his company would not offer a bid to Schmoldt Construction as they had done so on numerous occasions, and had never been used by Schmoldt, who apparently came up with their own masonry bids which were below market price, then purchased the materials themselves, and then shopped the labor to any masonry contractor willing to provide the labor within Schmoldt's price. The above story from Doug Hankins with BRW Architects relative to the DHA project would seem to suggest there is some truth to what this masonry contractor reported.

Dan Finnell was with the firm of Brown Architects during the Jubilee Park Resource Center and Walt Humann & T. Boone Pickens Community Center projects on the outskirts of Fair Park in Dallas. Dan now has his own design firm and is no longer with Brown Architects but he reported that working with Cary Schmoldt and Schmoldt Construction during those projects was a good experience. Dan said that the only setback during the project was the unfortunate death of the project superintendent and that a lot of project information was lost with him, but Schmoldt quickly selected a new superintendent and picked up very quickly where they left off and further stated that Cary does a very good job of managing his people and jobsites. Mr. Finnell stated that Schmoldt was very understanding and willing to work with the Owner on changes and revisions to project with an accepting attitude of work trade-offs. The project did have some significant Owner-driven Change Orders along the way as well and Schmoldt was very open and fair in regard to them. Dan stated that Cary personally attended every construction meeting and that he would certainly be pleased to work with Schmoldt Construction again.

Mike Wilson with Teague, Nall & Perkins informed me that Schmoldt Construction built a 3-field ballpark for Trophy Club which included a fair amount of paving and an 800 SF concessions building with a large awning for protection of a table/seating area. He admitted that Schmoldt had a pretty tough inspector to work with but worked well with him and he was satisfied. Mike stated that Schmoldt minimized Change Orders and that their quality of work was top notch and that he would not dispute their quality of work and wouldn't hesitate to work with them again on a construction project. He did say however that he believed their administrative area is where they are lacking, and as a result, Schmoldt had problems with their landscape and fence subcontractors and Schmoldt was having trouble closing out the project. Apparently due to delayed payment by Trophy Club, one of the subcontractors filed claims against the project and they are just now in the final stages of closing the project.

John Fielder with Kimley Horn Architects worked with Schmoldt Construction on a Tennis Center in Coppell and said that Schmoldt did a decent finish job on the building and that their quality of work was fine and they kept the project on schedule. He said that Schmoldt being the low bidder, he believed they may have missed something and therefore had some arguments with subcontractors and the City about including some items, but that they got it all worked out to the City's satisfaction.

Mike Konold of Mesa Design did not return several messages left with him.

Client References

Mr. Ray Parker is with Abuelo's, Food Concepts International, which has built several projects with Schmoldt according to Schmoldt's completed projects listing. Mr. Parker stated that he always had excellent results with Schmoldt and he always received hands-on attention from Cary Schmoldt and that he has good people working with him. He went on to say that to his knowledge, they are financially sound and he never had a problem with Schmoldt paying their bills on time.

Mr. Robert Richardson of the Dallas Housing Authority worked with Schmoldt on one project over \$2M and one around \$500,000 and they kept the projects on time, paid their bills promptly, kept a good superintendent on the projects, and that the projects went surprisingly smooth. I did not ask Mr. Richardson about this, but it caught my attention in

the material submitted by Schmoldt, that this Community Center for the DHA had a construction cost of \$2,337,700 for a 4,150 SF project, which works out to \$563 per SF.

Mr. Rickey Dudley of The Wine Loft was new to the commercial build-out process when he worked with Schmoldt Construction and said they were very thorough and that they developed a great working relationship. Mr. Dudley also stated that Cary accommodated everything he asked for and obtained good prices on many options he asked to consider, and helped him cut corners and save money without devaluing the project.

Credit References

John Holbrook of The Holbrook Company did a couple of projects with Schmoldt in Trophy Club and said of Schmoldt that they were a good contractor, did a really good job on the project, good pay no problem, paid retainage well and showed no signs of any financial stress.

Evelyn Gorman of GNS Electric said they have worked with Schmoldt on several \$200,000 to \$300,000 jobs since 2008 and that Schmoldt is good to work with, they like working with Schmoldt, have never had an issue getting paid, and that Schmoldt always has good supervisors in the field keeping things running smoothly.

Danny Anderson of Hunter Fire Protection said they have completed several projects with Schmoldt and have never had a problem with them, no problems with payments, and that Schmoldt has knowledgeable field supervisors on their projects which make it easy for Hunter to work with them.

Carlton Bier of Strand Concrete reported that they had worked with Schmoldt on the White Settlement Animal Shelter and the Coppell Tennis Courts, and that Schmoldt paid their bills on time, that everyone there is very helpful and that on a 1-10 scale he would give them an 8 or 9 because he doesn't give 10s unless you pay before you get the invoice.

Recommendation

On the afternoon of Monday, April 2 I spoke by telephone with Cary Schmoldt, President of Schmoldt Construction who stated that the project is about 2-3 miles from their office 'as the crow flies' so he will personally be there on a regular basis and that they are excited about the project and look forward to the working with Collin County. He also commented that he typically doesn't start talking to subs to confirm their numbers and investing time in the project until they get a Notice to Proceed and then he starts shopping the project, but that he has been in touch with several of his subs on the proposed project due to other bids they are putting together and that they feel good about their numbers. Based on the references contacted, their repeat work for numerous clients, and their close proximity to the project, it is my personal opinion that they are qualified and capable of satisfactorily completing the construction of the new Myer's Park Amphitheater and Restroom Facility. Therefore, I recommend that Collin County execute a contract with Schmoldt Construction, 5797 CR 126, Suite A, Celina, Texas 75009 for the construction of a new Amphitheater and Restroom Facility located at Myer's Park, C.R. 166 at C.R. 168, Collin County, Texas, with a Contract Sum of \$727,000.00 and a Completion Time of 180 calendar days.

If Collin County is interested in reducing the cost of the project, I will be pleased to discuss a few value engineering possibilities such as a change of materials in the sanitary sewer piping, a change of lamp types in the exterior lighting, as well as a reduction in the number of light fixtures, and several options that may be available in the contractor-designed septic system subject to approval by Collin County Engineering.

Please do not hesitate to contact our office if you have any questions or comments. We look forward to working with Collin County once again on another successful project.

Respectfully submitted,


Kent Spurgin